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From: John Alexander
To: Mike Powell
Date: Mon, Jan 6, 2003 11:19 AM
Subject: Local vs. Long Distance -- One Consumer's Opinion

Chairman Powell:

My wife works in the telecommunications industry, and I am in the closelv-related field of computer networking. As such, I have been following the telecommunications industry for quite a long time, and feel myself to be knowledgeable in this area.

I was very surprised to read this morning's Wall St. Journal. which claimed the FCC is considering reversing portions of the Telecommunications Act of 1996, specifically the portion that requires RBOCs to rent their networks to long distance providers to offer local service.

It is only fair that if the RBOCs can offer long distance, than the long distance providers must be able to offer local service. Requiring the long distance carriers to each build out their own local network would be extremely costly. and redundant. The consumer would ultimately pay for all carrier's networks - an unnecessary cost. Why should MCI. AT&T, Sprint, and Verizon each have a wire into my home, when I'm only going to connect one of those wires? The end result would be that certain "profitable" areas of the country would have 400% coverage, while other areas of the country not perceived as profitable would still deal with a local monopoly.

While the "cheap rental" agreement may not be perfect, you must find a fair way to open up local competition. The RBOCs are notoriously anti-competitive. as seen in their strong-arm tactics used against COVAD, NorthPoint, and Rhythms when they were asked to open up competition in the consumer-friendly technology area of DSL. I have no faith that the RBOCs will support competition in the local market without the FCC upholding the Telecommunications Act of 1996.

I would suggest that the only fair alternative is to separate "infrastructure" companies from "services" companies, and then regulate the "infrastructure" companies to ensure their pricing to "services" companies is fair across the board. Verizon would have to choose between laying cables in the ground or offering services (or splitting the company in two pieces). MCI would have to do the same.

While the disruption at first would be difficult, the end result would be increased competition while remaining fair to all concerned. It is not fair that Verizon has a government-sponsored monopoly in that they own the only cable into my home, and at the same time they compete against MCI for my local service. If they are allowed to charge MCI the same rates as they would charge me, how can MCI possibly compete? If the "infrastructure" division of Verizon is required to charge the "services" division of Verizon the same rate as they charge the "services" division of MCI, then you would have fairness. The "infrastructure" division would be paid for their investment in the network (which seems to be your primary concern). The services divisions of both companies would have fair competition. And, the increased competition would lower rates to consumers. In short - Everybody wins. Similarly, if the "infrastructure" division of WorldCom is required to charge the "services" division of Verizon and the "services" division of

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MCI the same network usage charges, we would have fairness and increased competition in long distance, data services, internet access, etc.

The only problem with this suggestion is that the free market economy tends to view unfairness as an opportunity, and it is likely that some unforeseen new technology or company may open up the doors *to* true competition in the local market (we already have true competition in long distance between AT&T, Sprint, and MCI/WorldCom). Much like Satellite television finally offered true competition for the cable television monopoly, perhaps fixed wireless or some other technology will offer true competition in the local phone service area without requiring a redundant infrastructure. Depending on the timing of this, if it happens, the FCC would have to quickly adjust any rules regarding local service. But. I still feel the only way to promote true fairness **is** to separate infrastructure and services. If a new company builds out towers to support fixed-wireless, they should be required to sell access to the services divisions of Verizon, MCI, AT&T, etc., at the same rates.

My apologies for the length of this email, but I feel you may be on the verge of making a big mistake if you reverse portions of the 1996 Telecommunications Act. I thank you for your time.

Sincerely,

/John Alexander

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